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INFO RUCNAFG/AFGHANISTAN COLLECTIVE  
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RUEATRS/DEPT OF TREASURY WASHINGTON DC 0523  
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC  
RHMFIUU/DEPT OF ENERGY WASHINGTON DC  
RHMFIUU/HQ USCENTCOM MACDILL AFB FL

UNCLAS SECTION 01 OF 02 KABUL 002339

SIPDIS

STATE FOR SCA/A, SCA/FO (A/S BOUCHER, GASTRIGHT, DEUTSCH)  
STATE PASS USTDA FOR DSTEIN/SGREENIP  
STATE PASS OPIC, USAID  
OPIC FOR MOSBACHER/ZAHNISER/STEELE  
MANILA PLEASE PASS ADB/USED  
NSC FOR AHARRIMAN  
USAID FOR JKUNDER, MWARD  
TREASURY FOR ABAUKOL  
OSD FOR SHINN, SHIVERS  
CENTCOM FOR CFC-A, CG CJTF-76, POLAD, JICENT

SENSITIVE  
SIPDIS

E.O.12958: N/A  
TAGS: [ENRG](#) [ECON](#) [EPET](#) [ETRD](#) [KPWR](#) [EAID](#) [PGOV](#) [AF](#)  
SUBJECT: Afghanistan Energy: TURKMEN POWER

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1. (SBU) Summary: On July 17, citing President Karzai's July 5 and 6 visit to Ashgabat, the Afghan National Security Advisor (NSA) clarified comments that the Minister for Economics (MOE) had earlier made to the Ambassador concerning Government of Afghanistan (GoA) efforts to import electric power from Turkmenistan. The NSA characterized the Turkmen President as accommodating on this issue, though price and proposed electric transmission line routing issues were not discussed at the Presidential level. The Government of Turkmenistan (GOTX) is interested in a natural gas pipeline to India (the TAPI project), and in rail connections through Afghanistan to Tajikistan (and possibly China). This good news from Ashgabat complements similar good news that, during the Minister of Economics' early June trip to Tashkent, the Government of Uzbekistan (GOU) was forthcoming on constructing a transmission line to the border with Afghanistan. End Summary

2. (SBU) On July 17, the Afghan NSA, Dr. Zalmai Rassoul briefed the Economic Counselor and AID Mission Energy Office Director on the broad outlines of the economic aspects of President Karzai's trip. The atmospherics of Karzai's visit were excellent, and the Afghan perception is that the GOTX wants good relations with Afghanistan as a southern neighbor who offers alternative economic and political links to reliance on Russia, or on neighboring Uzbekistan.

3. (SBU) Dr. Rassoul explained that the GOTX promised to sell electricity to Afghanistan, and facilitate its export through the major North Afghanistan city of Mazar-i-Sharif. However, the price, and the routing of the electric power transmission lines were not discussed at the Presidential level. He confirmed press reports that, as a good-will gesture, the GOTX agreed to provide electricity worth about \$300,000 to Afghan border districts between Andkhvoy (Faryab Province) and Qarqin (Jowzian Province). (The GOTX already exports some electricity to Afghanistan at Andkhvoy. The GoA wants

to build a new border crossing at Keleft town in Qarqin district, Jowzian Province.)

¶4. (SBU) Dr. Rassoul also explained that the GOTX is considering expanding its railroad lines through Afghanistan to Tajikistan and perhaps into China. The GoA understands the GOTX's intent as by-passing the Uzbeks, who can be difficult. As an initial gesture, the Turkmen offered to pay the \$500,000 price to rebuild five kilometers of Turkmen railroad from the border crossing town of Gusgy, Turkmenistan to Towraghondi, Herat Province, Afghanistan. The Soviets had built this railroad line during the occupation, but the mujahideen had sold the iron rails for scrap. He noted that, as a completely separate project, the Kazakhs have talked about extending the railroad from the Uzbek crossing point of Termiz/Jeyretan (Hairatan) to the Torkham border crossing point into Pakistan at the Khyber Pass. These projects, if completed, would facilitate the GoA goal to make Afghanistan into the transportation hub of South and Central Asia.

¶5. (SBU) The NSA confirmed that the Turkmen want to revive the dormant TAPI (Turkmenistan - Afghanistan - Pakistan - India) natural gas pipeline transmission project as part of a larger effort to diversify their pipeline export routes. At present, the Turkmen export gas through Russia and Iran. They want to build three new export pipelines, including one through Northern Afghanistan to Tajikistan and China, and the trans-Caspian to Turkey, plus TAPI. However, the Afghans understand that the TAPI plan has sparked some opposition because it would diminish the Russian-Iranian duopoly on exporting Turkmen gas. The Russians are saying that the Turkmen natural gas reserves to feed the TAPI pipeline are too small, while the GOTX defends the size of those reserves as adequate.

¶6. (SBU) In an earlier July 7 conversation with the Ambassador, Minister of Economics Mohammed Jalil Shams, who is also the chairman of the Inter-ministerial Council on Energy (ICE), told the Ambassador and EconCouns that during his own June 10 visit to

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Ashgabat, the GOTX rejected the Government of Afghanistan (GoA) request that the power lines cross the border at the Afghan town of Keleft in Qarqin district because Turkmen transmission lines would cross the Amu Darya River twice. The GoA prefers Keleft, which is closer to Mazar-e-Sharif, while the GOTX prefers a crossing closer to the Afghan towns of Aqeena and Khamvat. The GOTX-preferred route involves a longer distance within Afghanistan and is more expensive for the Afghans. Shams speculated that the GOTX had first rejected his request in early June to allow it to be more accommodating with President Karzai in early July.

¶7. (SBU) Shams added that the GOTX admitted it would need 30 months, instead of 18 months, to construct a new electric power plant to supply 300 Megawatts of power to the Afghans. (The GoA had previously understood that the Turkmen had 1,000 MW of surplus power available for export.) When the Ambassador asked why a USAID consultant was not included on Shams' delegation as an expert who might have facilitated a more detailed discussion of electricity pricing, Shams speculated that senior officials within the MEW objected to him.

¶8. (SBU) Shams reported that the GOU was surprisingly forthcoming during his visit to Tashkent, saying it would finance both the rehabilitation of a substation on the border, and the construction of a new electric power transmission line, which is scheduled to be finished by end 2008. (FYI: Recently, the Koreans offered to help construct the Uzbek portion of the transmission line to the Afghan border, and the Embassy is contacting the Korean Embassy here for details.)

¶9. (SBU) On energy aid from Japan, Shams said that the Japanese have asked ICE to prioritize between two proposed projects - rehabilitating the electric distribution system in Kabul, and closing gaps in the Northeast Power System (NEPS). The Japanese Embassy has pointed out that the Japan International Cooperation Agency (JICA) just completed in March 2007 a study of the Kabul distribution system, and that, if ICE put this project as its first priority, implementation could go ahead faster than the "NEPS gaps"

project.

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